



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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July 13, 2010

TO: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM:

Wendy L. Watanabe
Auditor-Controller

A handwritten signature in cursive script, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **PROJECT ANGEL FOOD CONTRACT – A DEPARTMENT OF PUBLIC
HEALTH HIV/AIDS CARE AND PREVENTION SERVICES PROVIDER -
FOLLOW-UP REVIEW**

At the request of the Department of Public Health (DPH), Office of AIDS Programs and Policy (OAPP), we completed a follow-up review of Project Angel Food's (Agency) progress in implementing the recommendations from our June 26, 2009 report. The purpose of our original review was to determine if the Agency had appropriately spent funds in accordance with the County contract.

The Agency implemented two of the six recommendations included in our report. The following are the recommendations and their implementation status.

CASH/REVENUE

Recommendation 1

Agency management ensure bank reconciliations are reviewed and approved by management.

Current Status: IMPLEMENTED

Verification

The bank reconciliation for August 2009 that we sampled was reviewed and approved by the Chief Operating Officer.

Recommendation 2

Agency management establish and implement a client fee determination system and ensure that it is approved by OAPP.

Current Status: NOT IMPLEMENTED

Verification

The Agency has not established and implemented a client fee determination system. The Agency explained that their policy is not to charge client fees for their services. However, the County contract requires that Project Angel Food establish and implement a client fee determination system for County clients that may have the ability to pay.

EXPENDITURES

Recommendation 3

Agency management maintain documentation to support expenditures charged to the OAPP program.

Current Status: IMPLEMENTED

Verification

The Agency provided documentation that supported the \$8,014 sampled for October 2009.

Recommendation 4

Agency management account for expenditures by program.

Current Status: NOT IMPLEMENTED

Verification

Agency management indicated that OAPP's funding is a small percentage of the Agency's total revenue. As a result, Agency management deems accounting for OAPP expenditures separately impractical. However, for Project Angel Food to be in

compliance with the County contract, they should implement a mechanism to account for OAPP program expenditures separately.

PAYROLL AND PERSONNEL

Recommendation 5

Project Angel Food management ensure payroll billings are supported with time reports that report actual hours worked on the program.

Current Status: NOT IMPLEMENTED

Verification

The time reports for two employees sampled for September 2009 showed that OAPP was charged for payroll expenditures based on budget not actual time spent performing OAPP related activities.

Recommendation 6

Project Angel Food management ensure timesheets are signed by the employee and approved by supervisory personnel.

Current Status: NOT IMPLEMENTED

Verification

One of two time reports sampled for September 2009 was not approved by the employee's supervisor.

We discussed the results of our review with Project Angel Food and OAPP. OAPP indicated that they will work with the Agency in implementing the four outstanding recommendations.

We thank Project Angel Food for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:MMO:JET:DC:EB:MM

c: William T Fujioka, Chief Executive Officer
Jonathan E. Fielding, Director, Department of Public Health
Margret Steele, Chief Executive Officer, Project Angel Food
Public Information Office
Audit Committee